

REQUEST FOR INFORMATION EQUITY QUANTITATIVE RESEARCH SOFTWARE

Introduction and Purpose

The Maryland State Retirement Agency (the “Agency”) is distributing this Request For Information (“RFI”) to firms wishing to provide the Maryland State Retirement and Pension System (the “System”) with interactive software that provides equity quantitative research software and related services. The Agency welcomes responses from firms with comprehensive solutions covering the broad scope of the RFI as well as from those firms with products specializing in a particular area. Respondents do not necessarily need to offer all services described in the RFI in order to be considered in the process. In distributing this RFI, the Agency is not seeking to develop customized software.

The Agency intends to choose a firm, or firms, from this process to provide the software and services described in this RFI, on a bundled or individual basis. The Agency may choose multiple firms to provide such software and services and also reserves the right to not choose any firm to provide the software and services described in this RFI. If a firm(s) is selected, the initial term of the contract will likely extend for three (3) years, with options for additional renewal terms of up to two (2) additional years. Exercise of the renewal options will be at the sole discretion of the Agency.

The Board of Trustees for the System manages a diversified investment portfolio valued at approximately \$65 billion as of March 31, 2023 for the exclusive benefit of participants of the several retirement and pension systems for state employees, teachers and employees of participating municipalities. The System’s asset allocation is available on the Agency’s website: <https://sra.maryland.gov/fiscal-year-quarterly-updates>. The System’s custodian is State Street Bank and Trust.

Further information regarding the System is set forth in the System’s Comprehensive Annual Financial Report, a copy of which is available on the Agency’s website: <https://sra.maryland.gov/annual-financial-reports>

Timeline and Submission Details

Date	Action
8/1/2023	RFI is issued.
8/16/2023	Due date for questions relating to the RFI. All questions relating to the RFI must be submitted via e-mail to SRAEquity@sra.state.md.us
8/23/2023	Answers to questions will be posted to the Agency’s website www.sra.state.md.us
9/6/2023	Responses to RFI must be submitted in hard copy (address below) and electronic copy to SRAEquity@sra.state.md.us . Please note that the RFI submission should not contain a fee schedule. A fee schedule should be submitted separately, Detailed instructions are below.

Staff will review submissions and contact those firms, if any, from which it desires additional information.

If your firm wishes to respond to this RFI, please email an electronic copy of the firm’s response to the attached questionnaire (**Attachment 1**) by 4:00 pm EST, September 6, 2023 to the contact information listed below (email address: SRAEquity@sra.state.md.us). Firms that respond to the RFI by submitting a proposal to provide one or more of the requested services are referenced in this RFI as “Offerors”. The

term “Contractor” as used in this RFI refers to an Offeror who enters into a contract with the System pursuant to this RFI. Please note that an electronic copy of the fee schedule should be sent **separately** from the response to the RFI questionnaire in a dedicated email and titled “**Fee Proposal – Equity Quantitative Research Software**”. Please send the Fee Proposal, under separate cover, to the same email address. The RFI questionnaire submission **should not** contain a fee schedule.

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On the submission’s cover page, please provide the firm’s name, primary contact person’s name, phone and fax numbers, email address and mailing address.

This RFI, all responses, and resulting agreements are subject to Maryland’s Public Information Act, Md. Code Ann., General Provisions Article (“GP”) §4-101 et. seq. In the response, Offerors must specifically identify those portions of their proposals, if any, which they deem to include confidential commercial or financial information or trade secrets under GP § 4-335, and must provide justification why such material should not, upon request, be disclosed by the State. A blanket statement declaring that the entire response is confidential is not sufficient and will not be honored. Upon request for this information from a third party, the Agency will make an independent determination whether the information is disclosable.

All questions relating to the RFI should be submitted via e-mail no later than August 16, 2023, 2023 to SRAEquity@sra.state.md.us. Firms should not contact the System’s Chief Investment Officer, Investment Division Staff, Board of Trustees, System’s consultants or other Agency personnel to gain additional information regarding this RFI. Attempting to do so may result in the firm’s disqualification.

Please note that the System will not be liable for any costs incurred with responding to this RFI. Also, the Agency reserves the right to evaluate submissions in its discretion. The Agency may decide to cancel the RFI at any time and reissue this or a similar request at a later date.

As part of the Questionnaire review process, the Agency has requested copies of the Offeror’s standard form of service contract. Notwithstanding this request, the Agency expects Contractors to sign the form of contract attached as **Attachment 2**. Please note that this contract and its exhibits are attached for informational purposes only at this time and are not required to be completed and submitted in an Offeror’s response to the RFI.

Minority Business Enterprises (MBEs) are encouraged to respond to this RFI. Offerors who consider themselves to be minority contractors are encouraged to obtain certification from the Maryland Department of Transportation. A minimum certified Minority Business Enterprise subcontract participation goal has not been established for this RFI, but certified MBE subcontract participation may be considered in evaluating proposals under certain circumstances. Offerors are encouraged to utilize MBEs for any subcontracting opportunities that may arise. The Agency also encourages Offerors to include socially and economically disadvantaged individuals on the team responding to this solicitation, if applicable.

POTENTIAL SCOPE OF SERVICES

The Agency is seeking a vendor or vendors to provide related capabilities. The System is seeking a software platform that can be used for global Public Equity portfolio management (production mode) and for public equity portfolio research and includes performance attribution capability.

With regard to production mode, the platform should be able to optimize portfolios relative to a benchmark with holdings from the portfolio and it should also allow for daily imports of benchmark onto the platform. The platform should allow users to save historical optimization jobs that display optimization parameters, input, and output. Timeseries optimizations capability is a required feature. Output supporting the optimization will need to be saved on Agency servers for compliance purposes. The platform should allow portfolios to be pulled through a performance attribution system in order to generate needed reports. It should also offer an equity screening tool to allow for analysis of the current portfolio.

With regard to research mode, the platform should allow for the custom coding of factors and not just provide canned options, and such factors will be able to be tested across global universes using data from at least the past 20 years. The platform should also allow for simulations that can be run monthly using available data from at least the past 20 years. In addition, the platform should allow the simulated portfolios and benchmark to be pulled through a performance attribution system in order to determine the efficacy of the simulation. Ease of access to various data sets not available within the platform is required. Access to modeling tools including AI, machine learning, etc., is desired. Access to point-in-time financial data (both macroeconomic and company specific).

With regard to performance attribution, the platform should have the capability to provide standard Brinson attribution by sector using sectors that existed at the time and factor attribution.

The desired services shall include the provision of software, installation, implementation, training, on-going support and maintenance as more fully described below. Please note that the Agency is not seeking to develop customized software.

A. Software Program

1. The Agency is seeking software that can:
 - a. Offer an optimizer that will produce recommended trades as well as sector, industry, and stock level exposures. Output should be downloadable into Microsoft Excel, ideally on an automatic basis.
 - b. Ability to batch optimization jobs.
 - c. Retain records of past optimization jobs
 - d. Availability to be pulled through an attribution system.
 - e. Either have a risk model or preferably incorporate the BlackRock Aladdin Risk Model.
 - f. Offer a research environment that offers:
 - i. Functioning equity screening tool.
 - ii. Functioning factor/alpha testing capability
 - iii. Functioning portfolio simulation capability

2. On-going data management: Manage security, portfolio and benchmark data required for the above reporting and evaluative services; this includes gathering indicative security information; modeling securities; creating data input formats; importing securities and portfolios; and performing data and portfolio level reconciliation.

B. SOFTWARE INSTALLATION, IMPLEMENTATION AND TRAINING

- Assist in deployment of software in the Agency's environment;
- Provide implementation services according to a mutually agreed upon work plan;
- Provide hands-on on-site training including training materials, reference guides and operations manuals;
- Provide web-based self-paced training.

C. ONGOING SUPPORT AND MAINTENANCE

1. Provide product updates and enhancements for technology advancements, improved functionality and compatibility with new industry standards;
2. Provide direct access to support staff for the software;
3. Provide on-going, prompt post-implementation support via telephone and electronic mail during normal business hours;
4. Provide timely problem resolution of reported concerns;
5. Provide online self-help functions;
6. Provide periodic updates to training materials, reference guides and operations manuals;
7. Provide ongoing web-based, self-paced training;
8. Provide periodic on-site training to inform the Agency of software enhancements and to refresh users on initial training concepts.

ATTACHMENT 1

EQUITY QUANTITATIVE RESEARCH SOFTWARE

QUESTIONNAIRE

If the firm is offering its services jointly with another firm or firms, please so indicate, and provide the information requested for all parties.

A. ORGANIZATIONAL BACKGROUND

1. Provide the following information with respect to the firm:
 - a. A brief history of the firm, including its year of organization, the ownership structure of the firm, including any parent, affiliated companies or joint ventures, the percentage owned by current employees; and a list of the owners of at least 5% of the firm including individuals and all other entities.
 - b. The location of the firm's headquarters and any branch offices.
2. Describe any significant developments in the firm that have occurred since January 1, 2018 (changes in ownership, personnel reorganization, etc.).
3. Describe any anticipated changes in the firm's basic ownership structure or any other significant changes in the organization.
4. How many years has the firm been providing the offered software and services to investors? Please list each type of service and its inception date.
5. Does the firm provide services other than the offered software and services to any clients? If so, please list each type of service, its inception date, and a brief description.
6. Provide a breakdown of the firm's revenues by source of business activity.
7. Since January 1, 2018, has the firm, or any officer or principal been involved in any business litigation, regulatory or other legal proceedings or government investigation involving allegations of fraud, negligence, criminal activity or breach of contract? If so, provide a description, explanation, and indicate the current status.
8. How are conflicts of interest managed, disclosed, or prevented?
9. How do you maintain the confidentiality of and protect user data from unauthorized use and disclosure?
10. Describe the levels of coverage for any professional liability insurance the firm carries. List the insurance carriers supplying the coverage, and supply certificates evidencing the coverage.

B. DEPTH AND EXPERIENCE OF PERSONNEL

1. Provide an organizational chart showing titles, functions, years of industry experience, years with the firm, and location of all personnel in the firm providing the proposed services.
2. What is the turnover of staff for the past five years?
3. Please describe what policies and procedures your firm has in place to encourage diverse opinions and thoughts. Please provide a copy of any diversity policy your firm has in place.

C. CLIENT COVERAGE AND REFERENCES

1. What is the composition of the firm's client base, including non-investor clients (*e.g.*, investment consulting firms)? Provide the number and percentage of clients for the client types listed below. If the firm's investor client base is heavily weighted toward any particular type of investor, please provide an explanation.

Client Type

Public Pension Funds

Taft-Hartley Funds

Corporate Pension Funds

Endowments & Foundations

Non-Investors

Other (Specify)

2. Provide a current list of five (5) clients for software and services similar to those requested by this solicitation, including client name, contact name, telephone number, number of years the client has retained the firm, the types of services provided, countries covered by the provided services, and the client's total assets. This list should include at least three (3) public fund clients whose assets are greater than \$15 billion. The Agency reserves the right to contact any of the clients named to request references.

D. SERVICES REQUESTED

Provide a detailed description of the software and services being offered by providing responses to the following:

1. Please provide the number of clients that utilize your software offering(s) as well of what type of investor they are (*e.g.*, public pension plan, endowment, foundation, etc.).
2. What types of software services do you currently provide to similar plans?
3. If additional analytical resources are provided and made available to clients by the firm, please describe them and provide samples.
4. What vendors do you use to provide data (*e.g.*, pricing) for your software? If these data sources are not part of your services or are charged separately, please provide a breakdown to include all data vendors necessary to model the System's Portfolio and include this fee estimate in your separately-marked fee schedule.

5. What type of data can be uploaded into your software from the System's custodian (positions, cash flows, etc.)?
6. Does the System retain ownership and control of all the data in your software?
7. What is the typical implementation time for your software? What affects this timeframe?
8. Provide a complete list of the analytics available in this software.
9. Does this software allow for custom reporting and custom data entry? Please describe in detail.
10. Is there a per user charge on your platform, if so, what is it?
11. What optimizers can be brought into your platform? If there is an extra charge for the optimizer itself and/or for your delivery of the optimizer, please specify.
12. Please advise whether an optimizer can export the following information into different tabs of a spreadsheet, which will then be saved on our work drives to be used as a back-up for trading:
 - a) Trade list which shows stock, ticker, initial shares held, shares to be traded, optimal shares to be held, price, change in weight, change in market value, % ADV to be traded;
 - b) Sector summary which shows stock, ticker, initial sector weight, optimal weight, change in weight, benchmark weight, and weight relative to the benchmark;
 - c) Industry summary which shows stock, ticker, initial sector weight, optimal weight, change in weight, benchmark weight, and weight relative to the benchmark;
 - d) Asset summary which shows all stocks held in the portfolio, name, ticker, price, initial weight, optimized weight, change in weight, initial shares, optimal shares, change in shares;
 - e) Value at risk tab which shows max expected loss over 1, 5, 10, and 30-day time horizons along with 66%, 95%, and 99% confidence intervals around those forecasts;
 - f) Analysis summary tab which shows the initial and optimal: value of the portfolio, number of securities held, highest and lowest weight in portfolio, number of iterations to get to an optimal solution, number of transactions, percent turnover, and transfer coefficient;
 - g) Run summary tab which shows the optimization loop path and whether an optimal solution was reached;
 - h) Statistics summary tab which shows initial and optimized factor return and risk, stock specific return and risk, total return and risk, total tracking error, portfolio utility, r-squared, beta, portfolio absolute risk, benchmark absolute risk, and round lot error percentage;
 - i) Risk decomposition tab which breaks out risk by factors in the risk model and shows initial exposure, optimal exposure, benchmark exposure, initial factor contribution, optimal factor contribution;

- j) Utility decomposition tab with initial and optimal factor return, stock specific return, alpha, systematic risk, unsystematic risk, total penalties, t-costs, and portfolio utility;
- k) Excluded securities tab which shows securities that were excluded from the optimization due to data or other reasons along with their portfolio weight and shares and benchmark weight and shares;
- l) Security factor exposure tab which shows all of the securities in the buyable universe and benchmark along with all of their risk factor scores;
- m) Quadratic penalties tab which shows the quadratic penalties used in the optimization case along with their goal, minimum and maximum bound, initial value and optimal value, benchmark value and difference versus benchmark; and
- n) Asset constraints tab which for every stock in the universe and benchmark shows the minimum and maximum bound, initial weight, optimal weight, and importantly how much the optimized weight is out of bounds, if it is out of bounds.

In addition, please provide a sample output from an optimization case that we would be allowed to save on our work server.

- 13. What risk models can be brought into your platform? If there is an extra charge for the risk model itself and/or for your delivery of the risk model, please specify.
- 14. Does the risk model contain:
 - a) Macro risk factors?
 - b) Fundamental risk factors?
 - c) Statistical risk factors?
- 15. What transaction cost models can be brought into your platform? If there is an extra charge for the t-cost model itself and/or for your delivery of the t-cost model, please specify.
- 16. Do you offer the capability to save our own data in database files on your system? Is there an extra charge for this, if so, what is the extra charge?
- 17. Does your platform offer the capability to simulate strategies over time? Is there an extra charge for this capability and if so what is it?
- 18. Does your platform offer the ability to pull those simulations through a performance attribution model? If so, is there an extra cost for this performance attribution module?
- 19. For the performance attribution module:
 - a. Can your system distill return sources into allocation, selection, as well as style/factor effects?
 - b. Do users have flexibility to select from a menu of performance attribution models? If so, which models are available?
 - c. Please describe your system's ability to run performance attribution analytics on single accounts versus multiple accounts combined together?

- d. Is the performance attribution done using daily holdings or can it also incorporate trade level data?
 - e. Does the performance attribution system use beginning of period weights to calculate the attribution analysis?
 - f. Can the performance attribution be performed by market cap buckets that use an equal number of stocks in each bucket?
 - g. Can the performance attribution be done by sector or industry using the sector or industry definitions as they existed at the time?
20. Does your platform offer equity screening capabilities where we can define a universe and look at characteristics of stocks in that universe? If so, what is the cost of this screening module?
21. Do you offer global financial statement data, such as income statement, balance sheet, and cash flow statement data? If so, how far back does it go and is there an extra charge for such data? If there is more than one provider of financial statement data on your platform, please specify along with the cost.
22. Do you offer global ESG (environmental, social, and governance) data? If so, how far back does it go and is there an extra charge for such data? What is the universe coverage (e.g., just large cap)? If there is more than one provider of ESG data on your platform, please specify along with the cost.
23. If you provide your own ESG data:
- a. Explain your ESG ratings process in detail including how security-level ratings are calculated.
 - b. What securities (e.g., geography, size) are covered in your ESG ratings framework?
 - c. Please discuss your firm's personnel dedicated to ESG research. Do you utilize any third party vendors?
 - d. What data and analytical solutions are available to assess climate risks specifically (e.g., carbon footprint, scenario analysis to reflect changing global air temperatures, energy supply/demand dynamics, etc.)
24. Does your firm seek to have its ESG ratings agree with those of other providers? Should a user of your ratings expect consistency across vendors?
25. Do you offer global estimates data: sales, earnings, etc.? If so, how far back does it go and is there an extra charge for such data? If there is more than one provider of estimates data on your platform, please specify along with the cost. And how far back does the estimates data go?
26. Do you offer global pricing data, if so, how far back does it go, what is the cost for this pricing data?
27. Can MSCI, Russell/FTSE, S&P, and Solactive Index data be brought into your platform? Is there an extra charge for delivery and if so, what is it?

28. Can your factor testing program:

- a) use subsequent return periods that are longer than one year?
- b) be run over time periods prior to the 1990s?
- c) separate subsequent returns into buckets that are more than just quintiles and deciles?
- d) calculate subsequent returns on more than just an equal or cap weighted basis?
- e) show subsequent returns that are also broken down by sector or size or some other factor?
- f) use sector and industry definitions as they were at the time instead using current definitions cast backward?
- g) Display factor score averages, medians, highs, lows, and standard deviations to be able to gauge the distribution of the factor scores?
- h) Can you provide sample output for your factor tester?

29. With regard to your formula building functionality:

- a) Is there a standard deviation function that allows you to calculate the standard deviation of fundamental factors or does that have to be built from scratch?
- b) Can formulas be set up to check to see whether all of a current quarter's data is available yet, and if not, to revert to the prior quarter for all data items instead of automatically reverting to the prior quarter if the current quarter is not available?

30. Describe the software's ability to import/export both inputted and calculated data via Excel.

31. Describe the level of economic, market and news data available as well as for which markets/stocks?

32. What sort of external data is made available to users? Please list some of the external data modules and any additional fees to use such external data.

33. Can all this data, optimizer, risk models be accessible in other external environments such as R, Python, Matlab via API?

E. TECHNOLOGY REQUIREMENTS AND SPECIFICATIONS

Provide a detailed description of the requirements necessary to successfully operate the proposed software, including but not limited to:

- 1. Internal Support Requirements
- 2. Internal vs. External Hosting
- 3. License Requirements
- 4. Security
- 5. Availability & Accessibility
 - System tools availability and data accessibility on 3rd party environments
- 6. System Limitations

- Maximum number of manager relationships
- Maximum number of funds
- Maximum number of portfolio companies

F. FEES

Provide a fee schedule for all services requested and describe how the fees are calculated. Consistent with the Agency's desire for compartmentalized or module-based services described in part A.3 above, please detail individual pricing for each component offered as well as a bundled rate for those components if procured in combination. With reference to part D.6 of the questionnaire, please include an estimate of fees for third-party data if applicable.

As described in the RFI, the fee schedule should be sent **separately** from the responses to the RFI questionnaire in a dedicated email titled "**Fee Proposal - Risk Management and Portfolio Analytics and Management Software**". The email with the RFI questionnaire submission **should not** contain a fee schedule.

Any contract resulting from this process is likely to extend for an initial term of three (3) with options for additional renewal terms of up to two (2) additional years. Exercise of the renewal options will be at the sole discretion of the Agency. Provide fees for each year of the proposed 3-year term] as well as the optional renewal periods. All fees should be provided in US dollars.

The fee schedule shall provide reasonable detail about the fees proposed to be charged for particular product licenses and/or services, as applicable. Where applicable, fees for specific services based on units of work should indicate the usual anticipated time required to complete the service.

G. OTHER

1. Please provide a copy of the firm's most recent audited financial statements, SSAE 16 report, and System and Organization Controls report, whether SOC1 or SOC2. If these are not available, please provide an explanation.
2. Please provide a copy of the firm's Code of Ethics. Do the firm and its employees comply with the Code of Ethics and Standards of a professional association? If so, which professional association?
3. Please provide a copy of the firm's standard contract for the software and services being offered.

Attachment 2

FORM OF CONTRACT

[Please see attached]

MASTER SERVICES AGREEMENT

This Master Services Agreement is made as of the _____ day of _____, 2023 by and between the Maryland State Retirement Agency for the benefit of the Board of Trustees for the Maryland State Retirement and Pension System (collectively, the “System”) and [_____] (the “Contractor”).

In consideration of the mutual covenants and promises herein contained and other good and valuable consideration, the receipt and sufficient of which is hereby acknowledged, the System and the Contractor agree as follows:

1. Scope of Services.

1.1 The parties enter into this Master Services Agreement, together with the following exhibits which are attached and incorporated herein by reference (“MSA”) to establish the general terms and conditions to be incorporated by reference into any Addendum executed by the parties. Each Addendum will identify the products and/or services (collectively the “Services”) to be provided by the Contractor and the fees due for such Services (the “Fees”). Each Addendum, plus this MSA, shall be one separate and complete agreement (the “Agreement”), independent of any other Addenda the parties may execute. In case of a conflict between the MSA and an Addendum, the provisions of the Addendum shall govern. Capitalized terms that are used but not defined in this MSA shall have the meanings given to them in the Addendum.

1.2 The Contract Manager, as identified in Section 29, or a successor designated by the System (the “Contract Manager”) may, at any time, by written order, make changes in the work within the general scope of the Agreement. No other order, statement or conduct of the Contract Manager or any other person shall be treated as a change or entitle the Contractor to an equitable adjustment under this section. Except as otherwise provided in this Agreement, if any change under this section causes an increase or decrease in the Contractor’s cost of, or the time required for, the performance of any part of the work, whether or not changed by the order, an equitable adjustment in the Agreement price shall be made and the Agreement modified in writing accordingly. The Contractor must assert in writing its right to an adjustment under this section within thirty (30) days of receipt of written change order and shall include a written statement setting forth the nature and cost of such claim. No claim by the Contractor shall be allowed if asserted after final payment under this Agreement. Nothing in this section shall excuse the Contractor from proceeding with the Agreement as changed.

1.3 If, as and when the Contractor develops or upgrades systems and technology services intended to assist clients in analyzing, monitoring and administering their global investment program, the Contractor will provide such systems and technology services to the System at no additional cost. Such upgrades to not include new services generally sold as a separate service by the Contractor.

2. Term and Renewal.

2.1 Unless sooner terminated in accordance with the provisions of this Agreement:

(a) the initial term of this Agreement shall be the three (3) year period beginning [____], 2023 and ending [____], 2026; and

(b) at the sole option of the System, this Agreement may be extended upon the same terms and conditions for up to two (2) successive one (1) year renewal periods.

3. Termination.

3.1 One party may terminate the Agreement or any Addendum on notice to the other upon the other party's failure to cure a material breach within ninety (90) days after notice of a demand to cure the breach. Fees shall be prorated for the period prior to the notice of termination.

3.2 If the Contractor ceases or plans to cease to offer all or any part of the Services to all clients for any reason, the Contractor may terminate the applicable Addendum, or Addenda, as to all or a portion of the Services by providing the System at least one hundred and eighty (180) days advance notice. The Contractor shall promptly refund the portion of Fees paid for the discontinued Services for the period following termination.

3.3 The System may terminate the Agreement or any Addendum at any time upon thirty (30) days' notice at its sole discretion.

3.4 The termination of any individual Addendum shall not result in termination of the Agreement, but shall only result in termination of such Addendum.

3.5 Audit, confidentiality, document retention, patents, copyright, intellectual property, warranty, and indemnification obligations under this Agreement and any other obligations specifically identified shall survive expiration or termination of the Agreement.

3.6 Upon termination of the Agreement, the Contractor, at its own expense, shall deliver any equipment, software, or other property provided by the System to the place designated by the Contract Manager.

4. Fees and Payment.

4.1 In consideration of the satisfactory performance of the work set forth in this Agreement and any Addendum, the System shall pay the Contractor in accordance with the rates and terms in the applicable Addendum.

4.2 Invoices must be provided in the format and on the schedule identified in the Addendum. Payments to the Contractor pursuant to this Agreement shall be made promptly after the System's receipt of a proper invoice from the Contractor. Charges for late payment of invoices, other than as prescribed by Title 15, Subtitle 1, of the State Finance and Procurement Article, Annotated Code of Maryland, as from time to time amended, are prohibited. The System reserves the right to withhold final payment under this Agreement until after certification is received from the Comptroller of the State of Maryland that all taxes have been paid by the Contractor. The System represents and warrants that, as a governmental pension plan within the meaning of Section 414(d) of the Internal Revenue Code, it is tax-exempt.

4.3 In addition to any other available remedies if, in the opinion of the Contract Manager, the Contractor fails to perform in a satisfactory and timely manner, the Contractor will be notified and provided a time specified by the System to cure the breach. If the breach is not cured within the time specified within the notification, the Contract Manager may refuse or limit approval of any invoice for payment, and may cause payments to the Contractor to be reduced or withheld until such time as the Contractor meets performance standards as established by the System pursuant to this Agreement.

4.4 The System may deduct from and set off against any amounts due and payable to the Contractor any back-charges, penalties, or damages sustained by the System, by virtue of any breach of the Agreement by the Contractor. Nothing herein shall be construed to relieve the Contractor of liability

for additional costs resulting from a failure to satisfactorily perform the Services. Payment of an invoice by the System is not evidence that Services were rendered as required under this Agreement.

5. Patents, Copyrights, Intellectual Property

5.1 If the Contractor furnishes any design, device, material, process, or other item, which is covered by a patent or copyright, or which is proprietary to or a trade secret of another, the Contractor shall obtain the necessary permission or license to permit the System to use such item or items.

5.2. Except as provided in Section 5.4 of this Agreement, the Contractor agrees that all documents and materials, including but not limited to, reports, drawings, studies, specifications, estimates, tests, maps, photographs, designs, software, graphics, mechanical, artwork, computations and data prepared by or for the Contractor for purposes of this Agreement ("Work Product") shall become and remain the sole and exclusive property of the System. The System shall have the right to use the same without restriction and without compensation to the Contractor other than that specifically provided by this Agreement.

5.3. Except as provided in Section 5.4 of this Agreement, the Contractor agrees that at all times during the term of this Agreement and thereafter, Work Product shall be "works made for hire" as that term is interpreted under U.S. copyright law and shall be owned by the System. Ownership includes the right to copyright, patent, register, and the ability to transfer these rights and all information used to formulate such Work Product. In the event any Work Product is or may not be considered a work made for hire under applicable law, Contractor assigns and transfers to the System the entire right, title, and interest in and to all rights in the Work Product and any registrations and copyright applications relating thereto and any renewals and extensions thereof. Contractor shall execute all documents and perform such other proper acts as the System may deem necessary to secure for it the rights pursuant to this section.

5.4. Notwithstanding anything to the contrary in this Agreement, to the extent (i) the Work Product incorporates any commercial-off-the shelf software ("COTS") and/or any Pre-Existing Intellectual Property or (ii) any COTS and/or Pre-Existing Intellectual Property (other than a computer's operating system, supported internet browser, browser accessibility software or hardware if needed by the user, and software required to access a commonly-available data transmission tool or export format) is required to access, install, build, compile or otherwise use the Work Product (such COTS and Pre-Existing Intellectual Property individually and collectively referred to herein as "Third-party Intellectual Property," which shall be the sole property of Contractor or its third-party licensors, as applicable) the Contractor hereby grants to the System, on behalf of itself and any third-party licensors, a royalty-free, paid-up, non-exclusive, unrestricted, unconditional, irrevocable, worldwide right and license, with the right to use, execute, reproduce, display, perform, distribute copies of internally, modify and prepare derivative works based upon, such Third-party Intellectual Property as may be necessary for the System to use the Work Product for the purposes for which such Work Product was designed and intended, which license shall be in effect at all times during the term of this Agreement. "Pre-Existing Intellectual Property" means any program, utility or tool owned by Contractor or its third-party licensors that was created by Contractor or its third-party licensors independently from its performance of this Agreement and not solely using funds from this Agreement.

5.5 Subject to the terms of Section 8, Contractor shall defend, indemnify, and hold harmless the System, including, but not limited to, the System and its agents, officers, and employees, from and against any and all claims, costs, losses, damages, liabilities, judgments and expenses (including without limitation reasonable attorneys' fees) arising out of or in connection with any claim the Work Product or any Third-party Intellectual Property infringes, misappropriates or otherwise violates any Third-party

Intellectual Property rights. Contractor shall not enter into any settlement involving third party claims that contains any admission of or stipulation to any guilt, fault, liability or wrongdoing by the System or that adversely affects the System's rights or interests, without the System's prior written consent, which consent may be withheld in the System's sole and absolute discretion.

5.6 Except if Contractor has pre-existing knowledge of such infringement, Contractor's obligations under this section will not apply to the extent any Third-party Intellectual Property infringes, misappropriates or otherwise violates any third party intellectual rights as a result of modifications made by the System in violation of the license granted to the System pursuant to Section 5.4; provided that such infringement, misappropriation or violation would not have occurred absent such modification.

5.7. Without limiting Contractor's obligations under Section 5.5, if all or any part of the Work Product or any Third Party Intellectual Property is held, or Contractor or the System reasonably determines that it could be held, to infringe, misappropriate or otherwise violate any third party intellectual property right, Contractor (after consultation with the System and at no cost to the System): (a) shall procure for the System the right to continue using the item or service in accordance with its rights under this Agreement; (b) replace the item or service with an item that does not infringe, misappropriate or otherwise violate any third party intellectual property rights and, in the System's sole and absolute determination, complies with the item's specifications as defined in this Agreement, and all rights of use and/or ownership set forth in this Agreement; or (c) modify the item or service so that it no longer infringes, misappropriates or otherwise violates any third party intellectual property right and, in the System's sole and absolute determination, complies with the item's specifications and all rights of use and/or ownership set forth in this Agreement.

5.8. Contractor, on behalf of itself and its subcontractors, hereby agrees not to incorporate, link, distribute or use any Third-party Intellectual Property in such a way that: (a) creates, purports to create or has the potential to create, obligations with respect to any System software (including any deliverable hereunder), including without limitation the distribution or disclosure of any source code; or (b) grants, purports to grant, or has the potential to grant to any third-party any rights to or immunities under any System intellectual property or proprietary rights. Without limiting the generality of the foregoing, neither Contractor nor any of its subcontractors shall incorporate, link, distribute or use, in conjunction with the Work Product, any code or software licensed under the GNU General Public License ("GPL"), Lesser General Public License ("LGPL"), Affero GPL ("AGPL"), European Community Public License ("ECPL"), Mozilla, or any other open source license, in any manner that could cause or could be interpreted or asserted to cause any System software (or any modifications thereto) to become subject to the terms of the GPL, LGPL, AGPL, ECPL, Mozilla or such other open source software.

5.9 Without limiting the generality of the foregoing, neither Contractor nor any of its subcontractors shall use any software or technology in a manner that will cause any patents, copyrights, or other intellectual property that are owned or controlled by the System or any of the Contractor's affiliates (or for which the System or any of its subcontractors has received license rights) to become subject to any encumbrance or terms and conditions of any third-party or open source license (including, without limitation, any open source license listed on <http://www.opensource.org/licenses/alphabetical>) (each an "Open Source License"). These restrictions, limitations, exclusions and conditions shall apply even if the System or any of its subcontractors becomes aware of or fails to act in a manner to address any violation or failure to comply therewith. No act by the System or any of its subcontractors that is undertaken under this Agreement as to any software or technology shall be construed as intending to cause any patents, copyrights or other intellectual property that are owned or controlled by the System (or for which the System has received license rights) to become subject to any encumbrance or terms and conditions of any Open Source License.

5.10. The Contractor shall report to the System, promptly and in written detail, each notice or claim of copyright infringement received by the Contractor with respect to all Work Product delivered under this Agreement.

5.11. This Section 5 shall survive expiration or termination of this Agreement.

6. Indemnification

6.1. In addition to Contractor's indemnification obligations described in Section 5, Contractor shall indemnify, defend, and hold the System, its trustees, officers, employees and agents harmless from liability for the following conduct arising from or relating to the performance of the Contractor or its subcontractors under this Agreement: (a) tangible property damage, bodily injury and death, to the extent caused by or contributed to by Contractor or its subcontractors and (b) fraud or willful misconduct of Contractor or its subcontractors. Such indemnification shall include all related defense costs and expenses attributable to the claims of third parties, including, but not limited to, reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties.

6.2. Upon the System's request of indemnification under Section 5 or 6, Contractor shall be entitled to control the defense or settlement of the relevant claim with counsel reasonably satisfactory to the System. The System will: (a) provide reasonable cooperation to Contractor in connection with the defense or settlement of the claim, at Contractor's expense; and (b) be entitled to participate in the defense of the claim, at its own expense.

6.3. The System has no obligation to provide legal counsel or defense to the Contractor or its subcontractors in the event that a suit, claim or action of any character is brought by any person not party to this Agreement against the Contractor or its subcontractors as a result of or relating to the Contractor's obligations under this Agreement.

6.4. The System has no obligation for the payment of any judgments or the settlement of any claims against the Contractor or its subcontractors as a result of or relating to the Contractor's obligations under this Agreement.

6.5. To the extent permitted by applicable law, the Contractor shall immediately notify the Contract Manager of any claim or suit made or filed against the Contractor or its subcontractors regarding any matter resulting from or relating to the Contractor's obligations under the Agreement, and will cooperate, assist, and consult with the System in the defense or investigation of any third party claim, suit, or action made or filed against the System as a result of or relating to the Contractor's performance under this Agreement.

6.6. This Section 6 shall survive expiration or termination of this Agreement.

7. Limitations of Liability

7.1. Contractor shall be liable for any loss or damage to the System occasioned by the acts or omissions of Contractor, its subcontractors, agents or employees, including but not limited to personal injury; physical loss; or violations of the Patents, Copyrights, Intellectual Property sections of this Agreement, as follows: (a) for infringement of patents, trademarks, trade secrets and copyrights as provided in Section 5 ("Patents, Copyrights, Intellectual Property") of this Agreement; (b) without limitation, for damages for bodily injury (including death) and damage to real property and tangible personal property; (c) without limitation for breaches of confidentiality, including Section 11 "Confidentiality"; and (d) for all other claims, damages, loss, costs, expenses, suits, or actions in any way related to this Agreement where liability is not otherwise set forth as being "without limitation." Regardless of the basis on which the claim is made, Contractor's liability shall not exceed [_____] ()]

times the total amount of the Fees associated with the Addendum out of which the claim arises. Third-party claims arising under Section 6 of this Agreement are included in this limitation of liability only if the System is immune from liability; provided, that Contractor's liability for third-party claims arising under Section 6 of this Agreement shall be unlimited if the System is not immune from liability for claims arising under Section 6.

7.2. In no event shall the existence of a subcontract operate to release or reduce the liability of Contractor hereunder. For purposes of this Agreement, Contractor agrees that all Subcontractors shall be held to be agents of Contractor.

8. Loss of Data.

The System will own all right, title and interest in its data that is related to the Services provided under this Agreement. In the event of loss of any data or records where such loss is due to the intentional act, omission, or negligence of the Contractor or any of its subcontractors or agents, the Contractor shall be responsible for recreating such lost data or records in a manner, format, and time frame acceptable to the Contract Manager. The Contractor shall ensure that all data is backed up and is recoverable by the Contractor.

9. Notification of Legal Requests

The Contractor shall contact the System upon receipt of any electronic discovery, litigation holds, discovery searches and expert testimonies related to the System's data under this Agreement, or which in any way might reasonably require access to the data of the System, unless prohibited by law from providing such notice. The Contractor shall not respond to subpoenas, service of process and other legal requests related to the System without first notifying the System, unless prohibited by law from providing such notice.

10. Confidentiality.

10.1 Subject to the Maryland Public Information Act and any other applicable laws, all confidential or proprietary information and documentation relating to either party (including without limitation, any information or data stored within the Contractor's computer systems) shall be held in absolute confidence by the other party. Each party shall, however, be permitted to disclose relevant confidential information to its officers, agents and employees to the extent that such disclosure is contemplated by this Agreement or necessary for the performance of their duties under this Agreement, provided the data may be collected, used, disclosed, stored and disseminated only as provided by and consistent with the law. The restrictions of this section shall not apply to information that (a) is lawfully in the public domain; (b) has been independently developed by the other party without violation of this Agreement; (c) was already in the possession of such party; (d) was supplied to such party by a third party lawfully in possession thereof and legally permitted to further disclose the information; or (e) which such party is required to disclose by law. This Section 10 shall survive expiration or termination of the Agreement. For the avoidance of doubt, the System is permitted to disclose data and reports generated under this Agreement to its consultants who have entered into an Agreement with the Contractor to protect the confidentiality of information.

10.2 The Contractor shall not affix (or permit any third party to affix), without the System's consent, any restrictive markings upon any Work Product and if such markings are affixed, the System shall have the right at any time to modify, remove, obliterate, or ignore such warnings.

11. File backup; disaster recovery.

The Contractor shall ensure that all data is backed up and is recoverable by the Contractor. The Contractor agrees to regularly perform critical file backups, rotate backup to offsite storage locations on a regular basis and maintain and update its disaster recovery plan. The Contractor agrees to supply the System with a copy of its disaster recovery plan, and inform the System of any material changes to its disaster recovery plan. All storage and processing of information shall be performed within the borders of the United States.

12. Insurance Requirements.

12.1 The Contractor shall maintain customary commercial insurance policies that cover losses resulting from or arising out of Contractor action or inaction in the performance of Services under the Agreement by the Contractor, its agents, servants, employees or subcontractors. Effective no later than the date of execution of the Agreement, and continuing for the term of this Agreement, the Contractor shall maintain such insurance coverage and shall report such insurance annually or upon request of the System. The Contractor shall provide prompt written notification should such coverage be canceled or modified.

12.2 The Contractor warrants that it carries adequate workers' compensation and other insurance as required by state and federal law, and shall maintain such insurance at levels acceptable to the System in full force and effect during the term of this Agreement. The Contractor agrees to furnish satisfactory evidence of this insurance coverage to the System upon request.

13. Contract Affidavit.

The Contractor's Contract Affidavit is included as **Exhibit A** of this Agreement and is incorporated herein by this reference.

14. Conflict of Interest.

14.1 The Contractor should be aware that the State Ethics Law, General Provisions Article, Title 5, might limit the selected the Contractor's ability to perform the Services required by this Agreement, depending upon specific circumstances.

14.2 The Contractor will provide Services to the System and must do so impartially and without any conflicts of interest. The Contractor will be required to complete a Conflict of Interest Affidavit. A copy of the Conflict of Interest Affidavit/Disclosure is included as **Exhibit B** of this Agreement and is incorporated herein by this reference. The Contractor shall provide periodic updates to the Agency and the Contract Manager, providing information such as that required by the Conflict of Interest Affidavit/Disclosure attached as **Exhibit B**, certifying whether an actual or potential conflict of interest exists.

15. Delays and Extensions of Time.

The Contractor agrees to perform the work under this Agreement continuously and diligently. No charges or claims for damages shall be made by the Contractor for any delays or hindrances from any cause whatsoever during the progress of any portion of the work specified in this Agreement. Time extensions will be granted only for excusable delays that arise from unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including but not restricted to acts of God, acts of the public enemy, acts of the System in either its sovereign or contractual capacity, acts of another contractor in the performance of a contract with the System, fires, floods, epidemics, quarantine

restrictions, strikes, freight embargoes, or delays of subcontractors or suppliers arising from unforeseeable causes beyond the control and without the fault or negligence of either the Contractor or the subcontractors or suppliers.

16. Retention of Records; Inspection of Records; Audit Reports.

16.1 The Contractor shall maintain and retain all records and documents relating to the Agreement for a period of three (3) years from the date of final payment under the Agreement or subcontract hereunder or any applicable statute of limitations, whichever is longer, and shall make the records and documents available for inspection and audit by the Legislative Auditor of the State of Maryland, the System's consultants, the System's auditor, and authorized representatives of the System at all reasonable times. If such documentation is maintained on an automated system, appropriate retention, retrieval and back-up policies must be established, implemented and maintained.

16.2 Simultaneously with the execution of this Agreement, the Contractor shall provide the System with a copy of the most recent System and Organization Controls report (each a "SOC Report"), whether SOC1 or SOC2, issued to the Contractor under the applicable American Institute of Certified Public Accountants standards, relating to the methods and procedures maintained and employed by the Contractor with respect to Services provided hereunder. Thereafter, the Contractor shall make such SOC Report available to the Agency no less frequently than annually.

17. Compliance with Laws.

The Contractor hereby represents and warrants that:

17.1 It is qualified to do business in the State of Maryland and that it will take such action as, from time to time hereafter, may be necessary to remain so qualified;

17.2 It is not in arrears with respect to the payment of any monies due and owing the State of Maryland, or any department or unit thereof, including but not limited to the payment of taxes and employee benefits, and that it shall not become so in arrears during the term of this Agreement;

17.3 It shall comply with all federal, state and local laws, regulations, and ordinances applicable to its activities and obligations under this Agreement; and

17.4 It shall obtain, at its expense, all licenses, permits, insurance, and governmental approvals, if any, necessary to the performance of its obligations under this Agreement.

18. Security Requirements and Incident Response

18.1 The Contractor agrees to abide by all applicable federal, state and local laws concerning information security. Contractor shall limit access to and possession of Sensitive Data to only employees whose responsibilities reasonably require such access or possession and shall train such employees on the Confidentiality obligations set forth herein. "Sensitive Data" means any personally identifiable information, protected health information, or other private/confidential data.

18.2 The Contractor agrees to notify the System when any Contractor system that may access, process, or store System data or Work Product is subject to unintended access or attack. Unintended access or attack includes compromise by a computer malware, malicious search engine, credential compromise

or access by an individual or automated program due to a failure to secure a system or adhere to established security procedures.

18.3 The Contractor further agrees to notify the System within twenty-four (24) hours of the discovery of the unintended access or attack by providing notice via written or electronic correspondence to the Contract Manager.

18.4 The Contractor agrees to notify the System within two (2) hours if there is a threat to Contractor's product as it pertains to the use, disclosure, and security of the System's data.

18.5 If an unauthorized use or disclosure of any Sensitive Data occurs, the Contractor must provide written notice to the System within one (1) business day after Contractor's discovery of such use or disclosure and thereafter all information the requests concerning such unauthorized use or disclosure.

18.6 The Contractor, within one day of discovery, shall report to the System any improper or non-authorized use or disclosure of Sensitive Data. Contractor's report shall identify: (a) the nature of the unauthorized use or disclosure; (b) the Sensitive Data used or disclosed; (c) who made the unauthorized use or received the unauthorized disclosure; (d) what the Contractor has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure; and (e) what corrective action the Contractor has taken or shall take to prevent future similar unauthorized use or disclosure. The Contractor shall provide such other information, including a written report, as reasonably requested by the System.

18.7. The Contractor shall protect Sensitive Data according to a written security policy no less rigorous than that of the System, and shall supply a copy of such policy to the System for validation. The Contractor agrees to comply with all applicable laws that require the notification of individuals in the event of unauthorized release of Sensitive Data or other event requiring notification and, should an event occur that triggers an obligation to provide such notification, the Contractor agrees to assume responsibility for informing all such individuals in accordance with applicable law and to indemnify, hold harmless and defend the System and its officials and employees from and against any claims, damages, or other harm related to such security obligation breach or other event requiring the notification.

18.8 This Section 18 shall survive expiration or termination of this Agreement.

19. Effect of Contractor Bankruptcy.

All rights and licenses granted by the Contractor under this Agreement are and shall be deemed to be rights and licenses to "intellectual property," and the subject matter of this Agreement, including the Services, is and shall be deemed to be "embodiments of intellectual property" for purposes of and as such terms are used and interpreted under § 365(n) of the United States Bankruptcy Code ("Code") (11 U.S.C. § 365(n) (2010)). The System has the right to exercise all rights and elections under the Code and all other applicable bankruptcy, insolvency and similar laws with respect to this Agreement (including all executory statement of works). Without limiting the generality of the foregoing, if the Contractor or its estate becomes subject to any bankruptcy or similar proceeding: (a) subject to the System's rights of election, all rights and licenses granted to the System under this Agreement shall continue subject to the respective terms and conditions of this Agreement; and (b) the System shall be entitled to a complete duplicate of (or complete access to, as appropriate) all such intellectual property and embodiments of intellectual property, and the same, if not already in the System's possession, shall be promptly delivered to the System, unless the Contractor elects to and does in fact continue to perform all of its obligations under this Agreement.

20. Cost and Price Certification.

By submitting cost or price information, the Contractor certifies to the best of its knowledge that the information submitted is accurate, complete, and current as of a mutually determined specified date prior to the conclusion of any price discussions or negotiations.

The price under this Agreement and any change order or modification hereunder, including profit or fee, shall be adjusted to exclude any significant price increases occurring because the Contractor furnished cost or price information which, as of the date agreed upon by the parties, was inaccurate, incomplete, or not current.

21. Subcontracting; Assignment

The Contractor may not subcontract any portion of the Services provided under this Agreement without prior written notice to the System, nor may the Contractor assign this Agreement or any of its rights or obligations hereunder without prior written notice to the System. Any such subcontract or assignment shall be subject to any terms and conditions that the System deems necessary to protect its interests. Notwithstanding any subcontract or assignment permitted hereunder, the Contractor shall always remain liable to the System for the Contractor's obligations hereunder and for all actions of any subcontractor or assignee to the same extent as the Contractor is liable for its own actions hereunder. The System shall not be responsible for the fulfillment of the Contractor's obligations to any subcontractor or assignee.

22. Contingent Fee Prohibition.

The Contractor warrants that it has not employed or retained any person, partnership, corporation, or other entity other than a bona fide employee or agent working for the Contractor to solicit or secure this Agreement; and that it has not paid or agreed to pay any person, partnership, corporation, or other entity other than a bona fide employee or agent any fee or other consideration contingent on the making of this Agreement.

23. Maryland Law.

This Agreement shall be construed, interpreted, and enforced according to the laws of the State of Maryland. Any and all references to the Annotated Code of Maryland contained in this Agreement shall be construed to refer to such Code sections as from time to time amended.

24. Unilateral Right of the System to Change Duties.

The System, through the Contract Manager, retains the unilateral right to require modification or changes in the duties to be performed by the Contractor so long as the changes are within the general scope of the Contractor's duties to be performed under this Agreement and the Contractor receives notice in writing of the changes.

25. Independent Contractors.

The parties hereto are and shall remain independent contractors. Nothing herein shall be deemed to establish a partnership, joint venture or agency relationship between the parties. Neither party shall have the right to obligate or bind the other party in any manner to any third party.

26. Entire Agreement.

The Agreement constitutes the entire agreement of the parties with respect to its subject matter, and supersedes all prior oral and written agreements, proposals and discussions.

27. Mandatory Contractual Provisions.

27.1 Nondiscrimination in Employment. The Contractor agrees: (a) not to discriminate in any manner against an employee or applicant for employment because of race, color, religion, creed, age, sex, sexual orientation, gender identification, marital status, national origin, ancestry, genetic information, or any otherwise unlawful use of characteristics, or disability of a qualified individual with a disability unrelated in nature and extent so as to reasonably preclude the performance of the employment, or the individual's refusal to submit to a genetic test or make available the results of a genetic test; (b) to include a provision similar to that contained in subsection (a), above, in any underlying subcontract except a subcontract for standard commercial supplies or raw materials; and (c) to post and to cause subcontractors to post in conspicuous places available to employees and applicants for employment, notices setting forth the substance of this clause.

27.2 Financial Disclosure. The Contractor shall comply with the provisions of Section 13-221 of the State Finance and Procurement Article, Annotated Code of Maryland, which requires that every business that enters into contracts, leases, or other agreements with the State of Maryland or its agencies during a calendar year under which the business is to receive in the aggregate \$100,000 or more, shall, within 30 days of the time when the aggregate value of these contracts, leases or other agreements reaches \$100,000, file with the Secretary of State of Maryland certain specified information to include disclosure of beneficial ownership of the business.

27.3 Political Contribution Disclosure. The Contractor shall comply with the provisions of Election Law Article, Title 14, Annotated Code of Maryland, which requires that every person that enters into a contract for a procurement with the State, a county, or a municipal corporation, or other political subdivision of the State, during a calendar year in which the person receives a contract with a governmental entity in the amount of \$200,000 or more, shall file with the State Board of Elections statements disclosing: (a) any contributions made during the reporting period to a candidate for elective office in any primary or general election; and (b) the name of each candidate to whom one or more contributions in a cumulative amount of \$500 or more were made during the reporting period. The statement shall be filed with the State Board of Elections: (a) before execution of a contract by the State, a county, a municipal corporation, or other political subdivision of the State, and shall cover the 24 months prior to when a contract was awarded; and (b) if the contribution is made after the execution of a contract, then twice a year, throughout the contract term, on or before: (i) May 31, to cover the six (6) month period ending April 30; and (ii) November 30, to cover the six (6) month period ending October 31.

27.4 Non-hiring of Officials and Employees. The Contractor shall comply with the provisions of the Annotated Code of Maryland, State Government Article, Section 15-102, which provides that no official or employee of the State of Maryland, as defined therein, whose duties as such official or employee include matters relating to or affecting the subject matter of this Agreement shall, during the pendency and term of this Agreement and while serving as an official or employee of the State, become or be an employee of the Contractor or any entity that is subcontractor on this Agreement.

28. Procurement Regulations.

Although this Agreement is exempt from certain provisions of Division II of the State Finance and Procurement Article of the Annotated Code of Maryland ("Procurement Article"), the requirements of the Procurement Article and the Code of Maryland Regulations, Title 21, State Procurement Regulations (as

amended), will be applied to this Agreement to the extent practicable and consistent with obtaining the best services for the System, all as determined in the System's sole discretion. The appeal procedures contained in the Procurement Article and in the State Procurement Regulations will not apply to this Agreement.

29. Administrative

29.1 Contract Manager. The work to be accomplished under this Agreement shall be performed under the direction of the Managing Director, Public Equity as Contract Manager. All matters relating to the interpretation of this Agreement shall be referred to the Contract Manager for determination.

29.2 Waiver. No failure or delay on the System's part in exercising any right or remedy hereunder shall operate as a waiver thereof. No waiver by either party of any failure or refusal to comply with an obligation hereunder shall be deemed a waiver of any other or subsequent failure or refusal to so comply. No modification or waiver shall be effective unless it is in writing and duly executed by the System.

29.3 Notices. All notices hereunder shall be in writing and either delivered personally or sent by certified or registered mail, postage prepaid as follows:

If to the System:

If to the Contractor:

30. Authority.

Each party to the Agreement represents and warrants to the other that it has the full right, power, and authority to execute this Agreement and to perform the acts contemplated hereunder and the person signing this Agreement on behalf of each party has been properly authorized and empowered to enter into this Agreement.

31. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall be deemed one and the same document.

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IN WITNESS THEREOF, the parties have executed this Agreement as of the date hereinabove set forth.

[_____]

**MARYLAND STATE RETIREMENT AGENCY
FOR THE BENEFIT OF THE BOARD OF
TRUSTEES OF THE MARYLAND STATE
RETIREMENT AND PENSION SYSTEM**

By: _____

Name: _____

Title: _____

Company: _____

Date

By: _____

Martin Noven,
Executive Director
Secretary of the Board

Date

Approved for form and legal
sufficiency this _____ day
of _____ 2023.

Assistant Attorney General

EXHIBITS

EXHIBIT A – CONTRACT AFFIDAVIT

EXHIBIT B – CONFLICT OF INTEREST AFFIDAVIT/DISCLOSURE

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MASTER SERVICES AGREEMENT

EXHIBIT A

CONTRACT AFFIDAVIT

A. AUTHORITY

I hereby affirm that I, _____ (name of affiant) am the _____ (title) and duly authorized representative of _____ (name of business entity) and that I possess the legal authority to make this affidavit on behalf of the business for which I am acting.

B. CERTIFICATION OF REGISTRATION OR QUALIFICATION WITH THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

I FURTHER AFFIRM THAT:

The business named above is a (check applicable box):

- (1) Corporation — ☐ domestic or ☐ foreign;
- (2) Limited Liability Company — ☐ domestic or ☐ foreign;
- (3) Partnership — ☐ domestic or ☐ foreign;
- (4) Statutory Trust — ☐ domestic or ☐ foreign;
- (5) ☐ Sole Proprietorship.

and is registered or qualified as required under Maryland Law. I further affirm that the above business is in good standing both in Maryland and (IF APPLICABLE) in the jurisdiction where it is presently organized, and has filed all of its annual reports, together with filing fees, with the Maryland State Department of Assessments and Taxation. The name and address of its resident agent (IF APPLICABLE) filed with the State Department of Assessments and Taxation is:

Name _____ and _____ Department _____ ID
Number: _____ Address: _____

and that if it does business under a trade name, it has filed a certificate with the State Department of Assessments and Taxation that correctly identifies that true name and address of the principal or owner as:

Name _____ and _____ Department _____ ID
Number: _____ Address: _____

C. FINANCIAL DISCLOSURE AFFIRMATION

I FURTHER AFFIRM THAT:

I am aware of, and the above business will comply with, the provisions of State Finance and Procurement Article, §13-221, Annotated Code of Maryland, which require that every business that enters into contracts, leases, or other agreements with the State of Maryland or its agencies during a calendar year under which the business is to receive in the aggregate \$100,000 or more shall, within 30 days of the time when the aggregate value of the contracts, leases, or other agreements reaches \$100,000, file with the Secretary of

State of Maryland certain specified information to include disclosure of beneficial ownership of the business.

D. POLITICAL CONTRIBUTION DISCLOSURE AFFIRMATION

I FURTHER AFFIRM THAT:

I am aware of, and the above business will comply with, Election Law Article, Title 14, Annotated Code of Maryland, which requires that every person that enters into a contract for a procurement with the State, a county, or a municipal corporation, or other political subdivision of the State, during a calendar year in which the person receives a contract with a governmental entity in the amount of \$200,000 or more, shall file with the State Board of Elections statements disclosing: (a) any contributions made during the reporting period to a candidate for elective office in any primary or general election; and (b) the name of each candidate to whom one or more contributions in a cumulative amount of \$500 or more were made during the reporting period. The statement shall be filed with the State Board of Elections: (a) before execution of a contract by the State, a county, a municipal corporation, or other political subdivision of the State, and shall cover the 24 months prior to when a contract was awarded; and (b) if the contribution is made after the execution of a contract, then twice a year, throughout the contract term, on or before: (i) May 31, to cover the six (6) month period ending April 30; and (ii) November 30, to cover the six (6) month period ending October 31.

E. DRUG AND ALCOHOL FREE WORKPLACE

(Applicable to all contracts unless the contract is for a law enforcement agency and the agency head or the agency head's designee has determined that application of COMAR 21.11.08 and this certification would be inappropriate in connection with the law enforcement agency's undercover operations.)

I CERTIFY THAT:

(1) Terms defined in COMAR 21.11.08 shall have the same meanings when used in this certification.

(2) By submission of its Proposal, the business, if other than an individual, certifies and agrees that, with respect to its employees to be employed under a contract resulting from this solicitation, the business shall:

(a) Maintain a workplace free of drug and alcohol abuse during the term of the contract;

(b) Publish a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession, or use of drugs, and the abuse of drugs or alcohol is prohibited in the business' workplace and specifying the actions that will be taken against employees for violation of these prohibitions;

(c) Prohibit its employees from working under the influence of drugs or alcohol;

(d) Not hire or assign to work on the contract anyone who the business knows, or in the exercise of due diligence should know, currently abuses drugs or alcohol and is not actively engaged in a bona fide drug or alcohol abuse assistance or rehabilitation program;

(e) Promptly inform the appropriate law enforcement agency of every drug-related crime that occurs in its workplace if the business has observed the violation or otherwise has reliable information that a violation has occurred;

(f) Establish drug and alcohol abuse awareness programs to inform its employees about:

- (i) The dangers of drug and alcohol abuse in the workplace;
- (ii) The business's policy of maintaining a drug and alcohol free workplace;
- (iii) Any available drug and alcohol counseling, rehabilitation, and employee assistance programs; and
- (iv) The penalties that may be imposed upon employees who abuse drugs and alcohol in the workplace;

(g) Provide all employees engaged in the performance of the contract with a copy of the statement required by §E(2)(b), above;

(h) Notify its employees in the statement required by §E(2)(b), above, that as a condition of continued employment on the contract, the employee shall:

- (i) Abide by the terms of the statement; and
- (ii) Notify the employer of any criminal drug or alcohol abuse conviction for an offense occurring in the workplace not later than 5 days after a conviction;

(i) Notify the Contract Manager within 10 days after receiving notice under §E(2)(h)(ii), above, or otherwise receiving actual notice of a conviction;

(j) Within 30 days after receiving notice under §E(2)(h)(ii), above, or otherwise receiving actual notice of a conviction, impose either of the following sanctions or remedial measures on any employee who is convicted of a drug or alcohol abuse offense occurring in the workplace:

- (i) Take appropriate personnel action against an employee, up to and including termination; or
- (ii) Require an employee to satisfactorily participate in a bona fide drug or alcohol abuse assistance or rehabilitation program; and

(k) Make a good faith effort to maintain a drug and alcohol free workplace through implementation of §E(2)(a)—(j), above.

(3) If the business is an individual, the individual shall certify and agree as set forth in §E(4), below, that the individual shall not engage in the unlawful manufacture, distribution, dispensing, possession, or use of drugs or the abuse of drugs or alcohol in the performance of the contract.

(4) I acknowledge and agree that:

- (a) The award of the contract is conditional upon compliance with COMAR 21.11.08 and this certification;

(b) The violation of the provisions of COMAR 21.11.08 or this certification shall be cause to suspend payments under, or terminate the contract for default under COMAR 21.07.01.11 or 21.07.03.15, as applicable; and

(c) The violation of the provisions of COMAR 21.11.08 or this certification in connection with the contract may, in the exercise of the discretion of the Board of Public Works, result in suspension and debarment of the business under COMAR 21.08.03.

F. CERTAIN AFFIRMATIONS VALID

I FURTHER AFFIRM THAT:

To the best of my knowledge, information, and belief, each of the affirmations, certifications, or acknowledgements contained in that certain Proposal Affidavit dated _____, 201____, and executed by me for the purpose of obtaining the contract to which this Exhibit is attached remains true and correct in all respects as if made as of the date of this Contract Affidavit and as if fully set forth herein.

I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

Date: _____

By: _____ (printed name of Authorized Representative and Affiant)

_____ (signature of Authorized Representative and Affiant)

MASTER SERVICES AGREEMENT

EXHIBIT B

CONFLICT OF INTEREST AFFIDAVIT/DISCLOSURE

A. "Conflict of interest" means that because of other activities or relationships with other persons, a person is unable or potentially unable to render impartial assistance or advice to the System, or the person's objectivity in performing the contract work is or might be otherwise impaired, or a person has an unfair competitive advantage.

B. "Person" has the meaning stated in COMAR 21.01.02.01B(64) and includes a Offeror, Contractor, consultant, or subcontractor or sub-consultant at any tier, and also includes an employee or agent of any of them if the employee or agent has or will have the authority to control or supervise all or a portion of the work for which a Proposal is made.

C. The Offeror warrants that, except as disclosed in §D, below, there are no relevant facts or circumstances now giving rise or which could, in the future, give rise to a conflict of interest.

D. The following facts or circumstances give rise or could in the future give rise to a conflict of interest (explain in detail — attach additional sheets if necessary): _____

E. The Offeror agrees that if an actual or potential conflict of interest arises after the date of this affidavit, the Offeror shall immediately make a full disclosure in writing to the Contract Manager of all relevant facts and circumstances. This disclosure shall include a description of actions which the Offeror has taken and proposes to take to avoid, mitigate, or neutralize the actual or potential conflict of interest. If the contract has been awarded and performance of the contract has begun, the Contractor shall continue performance until notified by the Contract Manager of any contrary action to be taken.

I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

Date: _____

By: _____
(Authorized Representative and Affiant)